

HOUSE BILL 1792
By Turner M

AN ACT to amend Tennessee Code Annotated, Title 49 and Title 67, relative to government funding.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-702, is amended by deleting that section in its entirety and by substituting instead the following language:

67-6-702.

(a)

(1) The aggregate amount collected by all counties and municipalities under title 67, chapter 6, part 7, in the fiscal year ending June 30, 2005 times a factor of 1.04 shall constitute the "aggregate local option sales tax base amount."

(2)

(A) The individual amount collected by each county or municipality under title 67, chapter 6, part 7, in the fiscal year ending June 30, 2005, times a factor of 1.04 shall constitute the "individual local government local option sales tax base amount" for that county or municipality.

(B) The individual local government local option sales tax base amount for any county or municipality that did not collect any amounts under title 67, chapter 6, part 7, in the fiscal year ending June 30, 2005, shall be zero (0).

(b) In the fiscal year beginning July 1, 2005, and in each year thereafter, each county and municipality shall receive a distribution from the general fund equal to its

individual local government local option sales tax base amount. Insofar as practicable, the commissioner shall distribute such amounts on a monthly basis.

(c) The aggregate local option sales tax base amount shall be adjusted beginning July 1, 2006, by the average of the percentage rate of growth of tax collections under title 67, chapter 6, part 2. The base year for purposes of determining the percentage rate of growth in future years shall be the fiscal year ending June 30, 2006.

(d) The percentage annual growth in the aggregate local option sales tax base amount shall be distributed in the fiscal year beginning July 1, 2006, and in each year thereafter, to each county and municipality pro rata by population determined according to the most recent federal decennial census or any interim local census as provided in items (C) and (D) of section 67-6-103(a)(3), without regard to whether such county or municipality has collected any amounts under title 67, chapter 6, part 7, prior to the effective date of this act. Insofar as practicable, the commissioner shall distribute such amounts on a monthly basis.

SECTION 2. The commissioner of revenue is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. For purposes of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2005, the public welfare requiring it.